

Message Text

LIMITED OFFICIAL USE

PAGE 01 QUITO 01718 150350Z

12

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 IO-14 AEC-11 AID-20 CEA-02 CIEP-02 COME-00

EB-11 FEA-02 FPC-01 INT-08 OMB-01 SAM-01 SCI-06

STR-08 TRSE-00 DRC-01 /183 W
----- 103448

R 150306Z MAR 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 0323

INFO AMEMBASSY CARACAS

LIMITED OFFICIAL USE QUITO 1718

STATE PLEASE PASS ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: EGEN, EC, IA-ECOSOC, ENER

SUBJ: VENEZUELA BLASTS OAS SECRETARIAT PETROLEUM PAPER

1. AT THE OPENING OF THE IA-COSOC COORDINATING COMMITTEE MEETING MARCH 13, VENEZUELA (BUSTILLOS) ATTACKED THE SECRETARIAT STAFF PAPER ON REPERCUSSIONS OF THE PETROLEUM CRISIS ON LATIN AMERICA. IN AN AGITATED PRESENTATION HE NOTED THAT OLADE EXISTS AS A FORUM FOR THE ENERGY QUESTION. HE SAID THE DOCUMENT LOOKED LIKE THE PRODUCT OF THE ONE DC BELONGING TO THE IA-ECOSOC AND LIKE THE WORK OF A PETROLEUM COMPANY. HE PROTESTED THAT THE SECRETARIAT PAPER WAS OUT OF STEP WITH TLATELOLCO WHERE SECRETARY KISSINGER HAD DISCUSSED TOPIC ON VERY HIGH PLANE AND VENEZUELA AND ECUADOR HAD SUBMITTED THEIR VIEWS IN WRITING. HE WOUND UP BY REQUESTING THE SECRETARIAT PAPER BE WITHDRAWN. LATER IN THE SESSION THE SECRETARIAT (SEDWITZ) ANNOUNCED THAT DOCUMENT WOULD BE WITHDRAWN AND DESTROYED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 QUITO 01718 150350Z

2. PAPER IN QUESTION WAS DRAWN UP FOLLOWING OAS SEMINAR IN

WASHINGTON ON PETROLEUM. IT IDENTIFIED AS THE TWO URGENT PROBLEMS:

- A). GETTING A REASONABLE ADJUSTMENT OF PRICES
- B) ACCOMMODATING THE EXTERNAL DEFICITS OF THE PETROLEUM IMPORTING COUNTRIES.

ON PRICES, THE PAPER FLATLY STATES THAT PETROLEUM PRICE INCREASES ARE WAY OUT OF PROPORTION WITH RESPECT TO WHAT THE WORLD COULD ACCEPT AND CONCLUDES THAT IT IS OF BASIC IMPORTANCE TO MAKE ALL POSSIBLE EFFORTS TO ACHIEVE A MORE REASONABLE LEVEL OF PRICES. THE PAPER CONCEDES THAT PRICES CANNOT RETURN TO OLD LEVELS, HOWEVER.

3. PAPER DISCUSSES NEED FOR FINANCIAL TRANSFER MECHANISMS, ESPECIALLY BETWEEN PETROLEUM EXPORTERS AND OTHER LDC'S. IT WARNS THAT RECESSION IN DC'S MAY ADVERSELY AFFECT DEMAND FOR PRIMARY PRODUCT EXPORTS OF LDC'S AND IT STRESSES NEED FOR ALL PETROLEUM-IMPORTING COUNTRIES TO EXPAND EXPORTS. PAPER CONCLUDES THAT INTERESTS OF DC'S AND PETROLEUM-IMPORTING LDC'S CLEARLY CONVERGE AND THAT IT IS ALSO IN THE INTEREST OF PETROLEUM-EXPORTING COUNTRIES TO INVEST THEIR FUNDS ABROAD AGAINST THE DAY WHEN THEIR PETROLEUM IS EXHAUSTED.

4. COMMENT: THE VENEZUELAN DELEGATE'S REACTION SHOWS AGAIN AN EXTREME SENSITIVITY TO LETTING THE ENERGY CRISIS BE ANALYZED CLOSELY IN HEMISPHERE ORGANIZATIONS IN WHICH U.S. IS PRESENT. ECUADOR ALSO FEARS THAT U.S. COULD DIVIDE THE LA'S ON PETROLEUM QUESTION, BUT IT DID NOT SPEAK UP AT THE MEETING. ONE EFFECT OF RESERVATION OF THE ENERGY ISSUE TO OLADE WOULD BE TO DELAY A STAFF ANALYSIS. THE LIMA AGREEMENT TO BRING OLADE INTO OPERATION HAS ONLY BEEN RATIFIED BY FIVE COUNTRIES AND AT LEAST ONE MORE SESSION ON OLADE ORGANIZATION IS NEEDED BEFORE ITS SECRETARIAT WILL BEGIN TO FUNCTION IN QUITO.

BREWSTER

NOTE BY OC/T: NOT PASSED ARA POSTS.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, DOCUMENTS, IMPORTS, EXPORTS, MEETINGS, MEETING REPORTS, PUBLIC ATTITUDES, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO01718
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740340/aaaablch.tel
Line Count: 95
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2002 by cunninfx>; APPROVED <18-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VENEZUELA BLASTS OAS SECRETARIAT PETROLEUM PAPER
TAGS: EGEN, EC, IA-ECOSOC, OAS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005